

Explanation for Electric Rate Increase Effective July 1, 2015

What's driving the need for a rate increase?

- Purchased power cost projection for FY –'16 indicate a 2.9% increase over the current year cost projection resulting in an increase of \$400,000.
 - 2015/2016 Network Transmission Charges are escalating 3.75%
 - PJM's Reliability Pricing Model (RPM) charges from May 2015 to May 2016 increasing 6.8% over current year cost.
- Additionally, wholesale power costs are projected to increase yet again in 2017, 2018 and forward.
- The 3% rate increase will generate a projected \$526,359 of additional revenue to offset the projected \$400,000 increased power cost and the remainder of the increase will aid in offsetting future power cost by increasing revenue beginning in FY- '16 and forward.

Impact to Customers:

- An average residential customer using 1000 kWh monthly will see an increase in their bill from \$110.95 to \$114.26 representing a 2.98% increase or \$3.31 cost increase.